

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Review of the Section 251 Unbundling)	CC Docket No. 01-338
Obligations of Incumbent Local Exchange)	
Carriers)	
)	
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications Act of)	
1996)	
)	
Deployment of Wireline Services Offering)	CC Docket No. 98-147
Advanced Telecommunications Capability)	

REPLY COMMENTS OF ALCATEL USA, INC.

Paul Kenefick
Senior Regulatory Counsel
Alcatel USA, Inc.
1909 K Street, NW
Washington, DC 20006
202-715-3709

July 17, 2002

Summary

In these Reply Comments, Alcatel strongly urges the Commission to examine the issue of line card interoperability as an unbundled network element. The line cards in a Next Generation Digital Loop Carrier possess no individual functionality and should not be held to be a “network element” under the Commission’s rules. The unbundling of line cards is not in a “technically feasible” point in the ILECs’ network, and these cards are clearly “proprietary,” thus subject to heightened review under §251. Finally, Alcatel requests the Commission preempt the numerous state inquiries into this issue, since this compounds market uncertainty and adversely impacts investment.

Alcatel also provides support to the Comments filed by the High Tech Broadband Coalition and the economic study submitted as an attachment to the Comments of Corning.

Table of Contents

I.	The USTA Decision Provides the Commission with Additional Justification to Reduce the Unbundling of ILEC Network Elements, Particularly Elements Deployed to Provide Broadband Services.	2
II.	Alcatel Supports the Comments and Reply Comments of the High Tech Broadband Coalition.	3
III.	Alcatel Supports the General Concepts and Conclusions of the CSMG Study Provided by Corning in its Comments to the Commission.	4
IV.	The Commission Should Formally Declare that NGDLC Line Cards are not Subject to the Commission's Unbundling Rules and Preempt Continued State Inquiries Into This Issue.	5
A.	Description of NGDLC Line Cards.	6
B.	Line Card Unbundling Has Numerous Consequences.	7
C.	The Record Concerning this Issue Has Been Built at the Commission and Before the State Commissions.	9
1.	Commission Proceedings.	9
2.	State Proceedings.	10
a.	Illinois.	11
b.	Indiana.	12
c.	Other States.	12
D.	A Commission Decision to not Unbundle NGDLC Line Cards is Supported by the Act.	13
1.	Line Cards are not Separate "Network Elements."	13
2.	Line Cards are Proprietary and Subject to the Heightened Standard Under §251(d)(2)(A).	14

3.	The §251(d)(2) Limiting Standard Imposed in the Iowa Utilities Board Decision Provides Further Justification to Reject Line Card Access and Unbundling Requirements.	16
a.	CLEC Access to Remote Terminals Would Not Promote Facilities-based Competition.	16
b.	Line Card Interoperability will not Provide Uniformity and Market Certainty.	17
c.	Mandatory Line Card Interoperability Will Hinder the Deployment of Advanced Telecommunications Capability to All Americans.	18
E.	The Commission has Ample Authority to Preempt the Ability of the States to Mandate Line Card Unbundling.	18
IV.	Conclusion	21